

**Amendments to the Claims:**

This listing of claims will replace all prior versions, and listings, of claims in the application.

**Listing of Claims:**

**Claim 1. (currently amended)** A rolling element which is made from a steel material containing comprising at least 0.45 to 1.5 wt% C and one or more alloy elements selected from the group consisting of 0.1 to 0.5 wt% V and 0.3 to 1.5 wt% Cr, and

which has a rolling contact surface layer having a structure tempered at low temperature in which 2 to 18% by volume cementite disperses in a martensite parent phase formed by induction heating and cooling and containing 0.25 to 0.8 wt% carbon solid-dissolving therein.

**Claim 2. (original)** The rolling element according to claim 1, wherein the average Cr concentration of the cementite dispersing in a quench hardened layer is adjusted to 2.5 to 10 wt%.

**Claim 3. (original)** The rolling element according to claim 2, wherein the cementite dispersing in the quench hardened layer is substantially granulated and the average particle diameter of the cementite is 0.1 to 1.5  $\mu\text{m}$ .

**Claim 4. (original)** The rolling element according to claim 2, wherein the cementite dispersing in the quench hardened layer has at least a portion of a pearlitic structure.

**Claim 5. (original)** The rolling element according to claim 2, wherein the quench hardened layer contains 10 to 60% by volume retained austenite.

**Claim 6. (original)** The rolling element according to claim 1, made from a steel material having substantially the same composition as that of the rolling contact surface layer, the rolling contact surface layer being subjected to induction hardening so as to have a martensitic structure in which prior austenite grains are fined to a size equal to or higher than ASTM grain size No. 10.

**Claim 7. (currently amended)** The rolling element according to claim 1, which is made from a steel material containing 0.5 to 3.0 wt% Si, 0.25 to 1.5 wt% Al, or 0.5 to 3.0 wt% (Si + Al); and further containing one or more alloy elements selected from the group consisting of Mn, Ni, Cr, Mo, Cu, W, B, and Ca, unavoidable impurity elements such as P, S, N and O, and the balance essentially consisting of Fe.

**Claim 8. (original)** The rolling element according to claim 7, wherein 0.3 to 1.5 wt% Ni is added to the steel material containing 0.25 wt% or more Al.

**Claim 9. (currently amended)** The rolling element according to claim 1,

which is made from a steel material containing at least 0.05 to 0.2 wt% one or more alloy elements selected from the group consisting of Ti, Zr, Nb, Ta and Hf and one or more compounds selected from the group consisting of the carbides, nitrides and carbonitrides of said alloy elements, said compounds having an average particle diameter of 0.1 to 5  $\mu\text{m}$  and dispersing within

the steel material,

which has a rolling contact surface layer containing 0.5 to 1.5 wt% C, the rolling contact surface layer having a martensite parent phase tempered at low temperature after quenching.

**Claim 10. (previously presented)** The rolling element according to claim 1, which is used as a gear and wherein the relationship between the DI value indicating the hardenability of a martensite phase and gear module M is described by  $DI \leq 0.12 \times M + 0.2$ , said martensite phase being previously a ferrite phase and containing 0.25 to 0.8 wt% carbon.

**Claim 11. (original)** The rolling element according to claim 10, wherein said steel material contains at least 0.53 to 1.5 wt% C, 0.3 to 1.5 wt% Cr and/or 0.1 to 0.3 wt% V, 0.2 to 0.5 wt% Mn, 0.5 to 2 wt% Si, 0.2 wt% or less Mo, and 0.2 wt% or less W.

**Claim 12. (original)** The rolling element according to claim 10, wherein said steel material contains at least 1.2 to 1.5 wt% C, 0.6 to 1.5 wt% Cr and/or 0.1 to 0.3 wt% V, 0.2 to 0.5 wt% Mn,

0.5 to 2 wt% Si, 0.2 wt% or less Mo, and 0.2 wt% or less W.

**Claim 13. (original)** The rolling element according to claim 10, wherein a compressive residual stress of 50 kgf/mm<sup>2</sup> or more remains at least on the surfaces of the roots of teeth.

**Claim 14. (original)** The rolling element according to claim 13, wherein a compressive residual stress of 50 kgf/mm<sup>2</sup> or more is allowed to remain on tooth profile surface layers each composed of a tooth top, a pitch circle position, a tooth root and a tooth bottom by mechanical processing means such as shot peening for generating said compressive residual stress.

**Claim 15. (original)** The rolling element according to claim 14, wherein a compressive residual stress of 50 kgf/mm<sup>2</sup> or more is allowed to remain on surface layers at the ends of the teeth by mechanical processing means such as shot peening for generating said compressive residual stress.

**Claim 16. (canceled)**

**Claim 17. (currently amended)** A method of producing a rolling element from a steel material containing at least 0.45 to 1.5 wt% C and one or more alloy elements selected from the group consisting of 0.1 to 0.5 wt% V and 0.3 to 1.5 wt% Cr,

the method comprising:

a Cr incrassating treatment step for heating the steel material such that the average Cr concentration of cementite contained in the steel material becomes 2.5 to 10 wt%;

an induction hardening treatment step for induction heating the steel material from a temperature equal to or lower than the A<sub>1</sub> temperature to a quenching temperature of 900 to 1100°C within 10 seconds, followed by rapid cooling; and

a tempering treatment step for heating the steel material to 100 to 300°C.

**Claim 18. (original)** The method of producing a rolling element according to claim 17, wherein the Cr incrassating treatment step is comprised of a first heating treatment and/or a second heating treatment, the heating temperature of the first heating treatment being the A<sub>1</sub> temperature to 900°C in the two

phase (cementite + austenite) region, the heating temperature of the second heating treatment being 300°C to the A<sub>1</sub> temperature in the two phase (cementite + ferrite) region.

**Claim 19. (original)** The method of producing a rolling element according to claim 17, wherein the steel material contains at least 0.8 to 1.5 wt% C,

which further has a spheroidizing treatment step in which granular cementite having an average particle diameter of 0.1 to 1.5 µm is dispersed by slow cooling or cooling to a temperature equal to or lower than the A<sub>1</sub> temperature and then to a temperature equal to or higher than the A<sub>1</sub> temperature, after the first heating treatment of the Cr incrassating treatment step in which the cementite is incrassated at a heating temperature of the A<sub>1</sub> temperature to 900°C in the two phase (cementite + austenite) region.

**Claim 20. (original)** The method of producing a rolling element according to claim 18, which further has a preheating treatment step in which the steel material is preheated at 300°C

to the A<sub>1</sub> temperature before the induction hardening treatment step, and

wherein the speed of heating from a temperature equal to or lower than the A<sub>1</sub> temperature to a quenching temperature of 900 to 1100°C in the induction hardening treatment step is set to 150°C/sec or more.

**Claim 21. (canceled)**

**Claim 22. (previously presented)** The method of producing a rolling element according to claim 17, further having a mechanical treatment step in which a compressive residual stress of 50 kgf/mm<sup>2</sup> or more is generated, by a treatment such as shot peening, in a part or the whole of the surface layer of the rolling element after the induction hardening treatment step.